



City of Biggs

Agenda Item Staff Report For the Regular City Council Meeting: September 10, 2013

TO: Honorable Mayor and Members of the City Council

FROM: City Administrator

SUBJECT: Authority to modify or amend waste water debt documents.

Background:

For some number of weeks, a State Revolving Fund (SRF) attorney and the bond council have been trying to work through an issue where the SRF believes that it is necessary for the City of Biggs and the USDA to modify or amend one or more prior USDA debt documents. The SRF interprets certain language as an obstacle to adding additional layers of parity debt to sewer revenues. The primary goal of such a modification would be to clearly allow additional layers of parity debt.

It appears that the USDA supplied a letter to the SRF in support of the Bond Council opinion that the additional layer of parity debt is allowable, but the SRF is requesting a modification or amendment to one or more of the underlying debt agreements.

At this moment, this issue has stalled the Waste Water phase 1 funding application approval process.

If it becomes necessary to complete a modification or amendment of USDA loan documents, then the attached resolution would authorize the City Administrator to do so without additional delay.

Recommendation:

Approve **RESOLUTION NO. 2013-28**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS
AUTHORIZING THE CITY ADMINISTRATOR TO REVISE, MODIFY AND/OR
AMEND ONE OR MORE OF THE CITY'S UNDERLYING DEBT AGREEMENTS IN
ORDER FOR THE CITY'S CURRENT WWTP PROJECT AND FINANCING TO
PROCEED**

Mark Sorensen, City Administrator

RESOLUTION NO. 2013-28

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS AUTHORIZING
THE CITY ADMINISTRATOR TO REVISE, MODIFY AND/OR AMEND ONE OR
MORE OF THE CITY'S UNDERLYING DEBT AGREEMENTS IN ORDER FOR THE
CITY'S CURRENT WWTP PROJECT AND FINANCING TO PROCEED**

WHEREAS, the City of Biggs (City) is currently working to secure financing for the development and construction of a new waste water treatment plant facility (WWTP) to serve the City.

WHEREAS, the WWTP project is vital and necessary to the City.

WHEREAS, the City is operating with and has underlying debt obligations incurred for projects undertaken and completed prior to the current WWTP project; the financing sought for the new WWTP facility will result in an additional layer of City debt.

WHEREAS, the City's bond counsel has determined (and the United States Department of Agriculture has agreed) that the additional layer of debt is allowable; however, the State Revolving Fund has requested or may request a revision, modification or amendment to one or more of the City's current underlying debt agreements in order for the WWTP financing to proceed.

NOW, THEREFORE, the City Council of the City of Biggs does hereby resolve as follows:

1. The City Administrator is authorized to revise, modify and/or amend one or more of the City's current underlying debt agreements in order for the WWTP project financing to proceed. This includes the authority to revise, amend and/or modify any document related to the above-referenced prior loans and debts.

2. The City Administrator shall report any such revisions, modifications and/or amendments to the City Council as soon as practicable.

I HEREBY CERTIFY that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Biggs, held on the 10th day of September, 2013 by the following vote:

AYES:	COUNCILMEMBER	_____
NOES:	COUNCILMEMBER	_____
ABSENT:	COUNCILMEMBER	_____
ABSTAINED:	COUNCILMEMBER	_____

ATTEST:

APPROVED:

Roben Dewsnap
CITY CLERK

Roger L. Frith
MAYOR